

Let's Help The Good Guys In The West Bank (Isaacson, WP)

Wednesday, March 5, 2008; A21

The Washington Post

By Walter Isaacson

The rocket attacks on Israel launched by Hamas militants in Gaza, coupled with Israel's retaliation, have disrupted peace talks between Israeli Prime Minister Ehud Olmert and Palestinian Authority President Mahmoud Abbas. This is a great victory for the radicals in Hamas, who never wanted such talks. While visiting the region this week, Secretary of State Condoleezza Rice is trying to remind everyone that the real goal is to weaken Hamas.

One way to do that is to strengthen its moderate Palestinian opponents. Fortunately, there is a smart and honest leader of these forces: Salam Fayyad, an apolitical economist (with a doctorate from the University of Texas) who is prime minister of the Palestinian Authority. Abbas appointed him to replace a Hamas-led government after Hamas forces seized control of Gaza last June. We have a perfect opportunity -- which will probably last no more than a year if it's not energetically nurtured -- to show Palestinians that supporting moderates such as Fayyad, rather than the radicals of Hamas, can pay off by producing prosperity and peace.

Helping Fayyad should be easy: It requires creating business and educational opportunities in the West Bank, where there has been increasing stability and security cooperation with Israel since Fayyad has been in charge. Such efforts are already underway. Tony Blair, as a special envoy to the region, has been working to enlist donor nations to keep the Palestinian Authority afloat and to create industrial zones in the West Bank where foreign businesses can safely set up shop. And the State Department has set up a U.S.- Palestinian Partnership, which I chair, designed to coordinate government and private-sector efforts to provide job opportunities, youth training centers and business investment.

The youth centers are being built by the U.S. Agency for International Development and will be run by Fayyad's impressive minister of youth, Tahini Abu Daqqa. She took members of our partnership to Hebron last month to inspect the site of one of these centers, and the young people there spoke of their eagerness for technology training and Internet access. Jean Case, a former America Online executive who is a co-chair of the partnership, has been enlisting American companies and nonprofit groups to supply and staff the centers.

Working with the Overseas Private Investment Corp. (OPIC), an independent government agency, the Aspen Institute launched a Middle East Investment Initiative last summer that helps provide loans of up to \$500,000 to businesses in the West Bank. With \$228 million in loan guarantee authority, it works with local banks to help what is, despite all odds, a resilient private sector run by entrepreneurial Palestinians -- who form the most powerful constituency for peace, stability and normalized relations with Israel.

When President Bush met with the U.S.-Palestinian Partnership, he mentioned that former president Bill Clinton had called him to push for a companion program to help business in the Palestinian territories: risk insurance that would protect against disruptions caused by political upheavals. OPIC is working with the Clinton Global Initiative to put together such a facility. Also being planned are a mortgage guarantee program, which would spur housing construction, and an

Israeli-Palestinian venture fund that could invest in technology companies.

To attract foreign investment, Prime Minister Fayyad has announced a May 21-23 business development conference in Bethlehem. He hopes that American, European, Arab and Israeli business leaders will examine the opportunities to locate facilities in the West Bank or enter into joint ventures with Palestinian industries, such as pharmaceutical factories and stone quarries, that are thriving in Ramallah and Hebron.

Just showing up at Bethlehem's InterContinental Hotel, a short walk from the Church of the Nativity, will be eye-opening for many international business leaders, who probably picture the West Bank as a land of rock-throwing rather than of business opportunity.

Israeli Prime Minister Olmert and Defense Minister Ehud Barak believe fervently that economic development in the West Bank is in Israel's interest. It will promote stability, create a constituency opposed to militancy and show that following leaders like Fayyad and Abbas is more rewarding than following Hamas's path of Islamist extremism. Olmert, Barak and their Israeli colleagues will have to take risks to make this work. The business conference, and economic investments generally, will succeed only if goods and people can move more freely. That will require lifting some of the checkpoints in areas where there has been security cooperation and streamlining some border crossings.

This could create a virtuous cycle. Freer movement and access could lead to more investment and economic opportunities, which would help shore up the forces of moderation and peace that now prevail in the West Bank.

That would stand as a stark and instructive contrast to the vicious cycle playing out in Gaza.

The writer is chief executive of the Aspen Institute and chairs the U.S.-Palestinian Partnership.